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**S. 686**

**STATUS INFORMATION**

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Introduced in the Senate on April 21, 2015

Currently residing in the Senate Committee on **Labor, Commerce and Industry**

Summary: State Housing Finance and Development Authority

**HISTORY OF LEGISLATIVE ACTIONS**

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
4/21/2015	Senate	Introduced and read first time ( <a href="#">Senate Journal-page 15</a> )
4/21/2015	Senate	Referred to Committee on <b>Labor, Commerce and Industry</b> ( <a href="#">Senate Journal-page 15</a> )

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**VERSIONS OF THIS BILL**

[4/21/2015](#)

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**A BILL**

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TO AMEND CHAPTER 13, TITLE 31 OF THE 1976 CODE, RELATING TO HOUSING AND REDEVELOPMENT, TO CHANGE THE NAME OF THE SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY TO THE SOUTH CAROLINA HOUSING FINANCE AGENCY, TO AMEND ARTICLE 4, CHAPTER 13, TITLE 31, RELATING TO THE HOUSING TRUST FUND, BY AMENDING SECTION 31-13-410 TO DEFINE "PROJECT" FOR THE PURPOSES OF THE ARTICLE; BY AMENDING SECTION 31-13-420 TO ALLOW THE BOARD TO SET POLICIES FOR PAYMENT OF REASONABLE FEES AND EXPENSES FOR SPONSORS; BY AMENDING SECTION 41-13-430, TO REMOVE THE SOUTH CAROLINA HOUSING PARTNERSHIP FROM THE ADVISORY COMMITTEE; BY AMENDING SECTION 31-13-450, TO PROVIDE THAT GRANTS MAY BE MADE TO CERTAIN HOUSING TRUST FUNDS; BY AMENDING SECTION 31-13-460 TO CAP AT FIFTEEN PERCENT THE AMOUNT OF ANNUAL TRUST FUND DEPOSITS WARDED TO UNITS OF STATE, REGIONAL AND LOCAL GOVERNMENTS; AND TO MAKE TECHNICAL AND CONFORMING AMENDMENTS.

33 Be it enacted by the General Assembly of the State of South  
34 Carolina:

35  
36 SECTION 1. Section 31-13-20 of the 1976 Code is amended to  
37 read:

38  
39 "Section 31-13-20. There is ~~hereby~~ created a public body  
40 corporate and politic to be known as the South Carolina ~~State~~  
41 ~~Housing Finance and Development Authority~~ Housing Finance  
42 Agency."

1

2 SECTION 2. Article 4, Chapter 13, Title 31 of the 1976 Code is  
3 amended to read:

4

5 “Section 31-13-410. As used in this article:

6 (1) ‘Affordable housing’ means residential housing that, ~~so long~~  
7 ~~as the same~~ is occupied by lower or very low income households;  
8 ~~requires payment of monthly housing costs of no more than thirty~~  
9 ~~percent of one twelfth adjusted annual income.~~

10 (2) ‘Annual income’ means the anticipated total income during  
11 the upcoming twelve-month period from all sources received by ~~the~~  
12 ~~family head and spouse and by each additional member~~ all adult  
13 members of the household, including all net income derived from  
14 assets.

15 (3) ‘~~Authority Agency~~’ means the South Carolina ~~State Housing~~  
16 ~~Finance and Development Authority Agency.~~

17 (4) ‘Board’ means the Board of Commissioners of the ~~South~~  
18 ~~Carolina State Housing Finance and Development~~ South Carolina  
19 Housing Finance Agency.

20 (5) ‘Executive director’ means the executive director of the  
21 authority.

22 (6) ‘Lower income household’ means a single person, family, or  
23 unrelated persons living together whose annual income adjusted for  
24 household size is more than fifty percent, but less than eighty  
25 percent, of the median income of the area of residence as determined  
26 by the United States Department of Housing and Urban  
27 Development.

28 (7) ‘Substandard unit’ means a housing unit which, by reason of  
29 dilapidation, deterioration, age, or obsolescence, inadequate  
30 provision for ventilation, light, air, sanitation, or open spaces, high  
31 density of population and overcrowding, unsanitary or unsafe  
32 conditions, or the existence of conditions which endanger life or  
33 property by fire and other causes, or any combination of these  
34 factors, is conducive to ill health, transmission of disease, or has an  
35 adverse effect upon the public health, safety, morals, or welfare of  
36 its inhabitants.

37 (8) ‘Trust fund’ or ‘fund’ means the South Carolina Housing  
38 Trust Fund.

39 (9) ‘Very low income household’ means a ~~household that has an~~  
40 single person, a family, or unrelated persons living together whose  
41 annual income adjusted for household size of less than is at or below  
42 fifty percent of the median income of the area of residence as

1 determined by the United States Department of Housing and Urban  
2 Development.

3 (10) 'Project' means affordable housing that consists of a single  
4 property or collection of properties or a program designed to  
5 increase or preserve affordable housing.

6  
7 Section 31-13-420. (A) There is established the South Carolina  
8 Housing Trust Fund. The State Treasurer shall serve as trustee for  
9 the fund and shall hold the monies deposited in the fund separate  
10 and distinct from the general funds of the State. The trust fund  
11 consists of monies received under this article and any other sources  
12 of revenue, public or private, including donations dedicated for  
13 inclusion in the trust fund. The State Treasurer shall deposit the  
14 funds in a separate account to be administered by the ~~authority~~  
15 agency in accordance with the guidelines and purposes established  
16 by this article. Interest, repayment, or other increment resulting from  
17 investment must be deposited in the fund.

18 (B) The monies in the trust fund must be paid out only upon the  
19 signature of the chairman of the board or a designee of the board  
20 and the signature of the executive director, upon the written warrants  
21 of the Comptroller General drawn on the State Treasurer to the  
22 payee designated in the requisition. The ~~authority~~ agency shall  
23 maintain separate records and books of accounts for all monies  
24 deposited into the fund. The ~~authority~~ agency is entitled to  
25 reimbursement for the costs or expenses incurred in the  
26 administration and operation of the fund from monies deposited into  
27 the fund. The board may also set policies for payment of reasonable  
28 fees and expenses for sponsors not to exceed fifteen percent of the  
29 trust fund award.

30 (C) The board shall make a separate annual report to the  
31 Governor and the General Assembly with respect to the fund  
32 pursuant to Article 13, Chapter 1 of Title 1.

33  
34 Section 31-13-430. (A) An advisory committee is established  
35 consisting of ~~nine~~ eight members, three of whom must be selected  
36 by the board and must include one member of a very low income  
37 household, one member of a lower income household, a one  
38 representative of a nonprofit organization which pursues housing  
39 programs, and one representative of each of the following:

- 40 (1) South Carolina Low Income Housing Coalition;
- 41 (2) South Carolina Citizens for Housing;
- 42 (3) South Carolina Association of Housing Authority  
43 Executive Directors;

1 (4) South Carolina Community Development Association;  
2 and  
3 ~~(5) South Carolina Housing Partnership; and~~  
4 ~~(6)(5)~~ South Carolina Association of Regional Councils.

5 (B) On or before the first day of January of each year the  
6 presiding officer of each organization represented on the advisory  
7 committee shall notify the chairman of the ~~authority~~ agency of the  
8 name, mailing address, and telephone number of its representative  
9 on the advisory committee. It is the duty of the chairman to ensure  
10 that timely notification of each meeting of the advisory committee  
11 is provided to each of its members.

12 (C) The advisory committee shall meet at least ~~four times a year~~  
13 semi-annually to advise the board of particularly critical housing  
14 needs, to recommend to the board those areas of the State in which  
15 requests for proposals for ~~developments~~ projects should be  
16 published, the type of development for which proposals should be  
17 solicited, and to provide other pertinent information to the board as  
18 the members of the advisory committee consider appropriate. The  
19 committee shall adopt rules concerning meeting attendance by its  
20 members.

21 (D) Members of the advisory committee are not eligible for  
22 reimbursement for travel, lodging, meals, or per diem. Membership  
23 on the committee must include representation from rural  
24 communities.

25  
26 Section 31-13-440. (A) Pursuant to this article and in accordance  
27 with the procedures adopted by the board, the executive director is  
28 responsible for the day-to-day operations of the fund.

29 (B) The executive director shall:  
30 (1) develop and implement a comprehensive program for the  
31 use of the fund which ensures the equitable distribution of monies  
32 in the fund between urban and rural areas of South Carolina;  
33 (2) develop and implement an application and selection  
34 system to identify ~~housing~~ sponsors and affordable housing  
35 ~~developments~~ projects which qualify to receive assistance from the  
36 fund;  
37 (3) provide technical assistance to prospective applicants;  
38 (4) monitor ~~developments~~ projects receiving assistance from  
39 the fund to ensure that the ~~developments~~ projects are operated in a  
40 manner consistent with this article and in accordance with the  
41 representations made by the sponsors of these ~~developments~~  
42 projects to the fund; and

1 (5) ensure that all ~~developments~~ projects receiving assistance  
2 from the fund are operated in a manner consistent with the South  
3 Carolina Fair Housing Law.

4 (C) The executive director may utilize members of the ~~authority~~  
5 agency staff as considered necessary to discharge the executive  
6 director's responsibilities under this section.

7  
8 Section 31-13-445. No more than twenty percent of trust fund  
9 monies ~~expended~~ committed in a fiscal year may be for projects in  
10 any one county.

11  
12 Section 31-13-450.(A) Except as otherwise provided in this  
13 section, all monies deposited in the fund must be used to increase  
14 the supply of safe, decent, and affordable housing for members of  
15 the very low or lower income households within this State. These  
16 monies must be used to:

17 (1) encourage affordable home ownership and rental housing  
18 opportunities for the very low and lower income individuals and  
19 households;

20 (2) assist in the creation and preservation of safe, decent,  
21 affordable, and sanitary housing for the very low and lower income  
22 persons through the provision of loans and grants;

23 (3) increase the availability of affordable ~~rental and~~  
24 ~~owner-occupied~~ housing for special needs populations, ~~including~~  
25 ~~housing for which may include~~ the elderly, the ~~handicapped~~  
26 disabled, veterans, and the homeless;

27 (4) promote creativity and flexibility in the design of  
28 programs at the local level to bring about the creation of safe, decent,  
29 affordable, and sanitary home ownership and rental housing in  
30 quality living environments;

31 (5) maximize the utilization of federal housing assistance  
32 programs and leverage all other public and private resources; ~~and or~~

33 (6) establish a spirit of partnership between government,  
34 nonprofit, and for-profit concerns and those in need of affordable  
35 housing; and

36 (7) make grants to local housing trust funds created prior to  
37 the effective date of the William C. Mescher Local Housing Trust  
38 Fund Enabling Act and those created pursuant to the terms of the  
39 William C. Mescher Local Housing Trust Fund Enabling Act as may  
40 be amended from time to time.

41 (B) Monies deposited in the fund must be used to finance, in  
42 whole or in part, affordable ~~housing~~ projects ~~and developments~~  
43 eligible under this section. Monies deposited in the fund may be

1 used to make loans, ~~or grants, or provide for~~ The loans or grants  
2 may serve as matching funds to secure financial assistance made  
3 available through federal funding and other programs to ~~eligible~~  
4 ~~applicants~~ sponsors for the provision of affordable housing. Only  
5 nonprofit sponsors are eligible to receive grants for the  
6 implementation of an affordable housing proposal. Funds for  
7 resident services programs which further independence and  
8 responsibility may be included in a proposal submitted to the fund  
9 but may not exceed two percent of the total funds requested in the  
10 proposal.

11 (C) In evaluating proposals for the use of monies deposited in  
12 the fund, the board shall ensure, to the extent feasible, that monies  
13 are allocated to affordable housing for home ownership or rental  
14 housing ~~developments~~ projects which provide housing to members  
15 of very low or lower income households. The fund may provide for  
16 appropriate penalties or fees for removal of the lien in its loan  
17 documents or contractual documents if monies are not used to  
18 provide housing for members of very low or lower income  
19 households for a period of at least twenty years. All prepayments  
20 must be returned to the fund.

21 (D) The board shall ensure that monies deposited in the fund are  
22 allocated only to projects which are eligible projects. An eligible  
23 project consists of one or more residential buildings containing  
24 similarly constructed units, the site on which the building is located,  
25 and any functionally related facilities. Multiple buildings may  
26 constitute a project only if bounded together as a result of proximate  
27 location or common ownership and financing.

28 (E) The board may approve the withdrawal of monies deposited  
29 in the fund for the acquisition and rehabilitation of substandard  
30 housing units, new construction of housing units, to provide  
31 assistance for the construction or rehabilitation of shelters for the  
32 homeless, or for such other programs which increase the supply of  
33 safe, decent, and affordable housing for members of very low or  
34 lower income households which the board considers appropriate to  
35 meet the purposes stated in this section.

36  
37 Section 31-13-460. Units of state, regional, and local  
38 governments, including municipal corporations and nonprofit and  
39 for-profit housing sponsors, are eligible to apply to receive monies  
40 from the fund for the development of affordable housing. No more  
41 than fifteen percent of the annual trust fund deposits shall be  
42 awarded as grants to units of state, regional, or local governments in  
43 any given fiscal year.

1

2 Section 31-13-470.(A) Monies within the fund must be  
3 allocated to ~~eligible applicants~~ sponsors, who have submitted  
4 proposals for eligible projects, in accordance with funding cycles  
5 established at least annually by the board.

6 (B) In allocating monies within the fund, priority must be given  
7 to applications which provide for one or more of the following:

8 (1) affordable housing proposals which serve very low  
9 income households;

10 (2) local government contributions to project costs, including  
11 infrastructure improvements, contributions of publicly-owned land  
12 for housing development, and the provision of funds for resident  
13 services;

14 (3) proposals which utilize financial assistance available  
15 through federal funding or other programs to leverage monies  
16 available from the fund;

17 (4) applicant contributions to project costs;

18 (5) proposals submitted by nonprofit sponsors for the  
19 provision of affordable housing;

20 (6) coordination with other housing and infrastructure  
21 investments in the community;

22 (7) provision of housing to persons whose current housing  
23 fails to meet basic standards of health and safety and who have little  
24 prospect of improving the condition of their housing.”

25

26 SECTION 3. The Code Commissioner is directed to change all  
27 references in Chapter 13, Title 31 of the 1976 Code from “South  
28 Carolina State Housing Finance and Development Authority”, or  
29 “Authority” to “South Carolina Housing Finance Agency”,  
30 “Agency”, or “SC HFA”, as appropriate.

31

32 SECTION 4. This act takes effect upon approval by the Governor.

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